



County of Los Angeles
Department of Public Social Services

Bryce Yokomizo
Director

May 20, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD A CONTRACT TO
FILE KEEPERS, LIMITED LIABILITY COMPANY TO PROVIDE
CASE RECORD STORAGE AND RETRIEVAL SERVICES
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the enclosed Agreement with File Keepers, Limited Liability Company (LLC) effective July 1, 2003, or the day after Board approval, whichever is later, through June 30, 2008, with an estimated contract cost of \$11,216,460 for the five-year term of the Agreement to provide Case Record Storage and Retrieval services. To the extent these costs are claimed to CalWORKs and Food Stamps, there is no additional net County cost (NCC) after the required Maintenance of Effort (MOE) is met. The share of costs associated with other programs, such as General Relief, results in an estimated NCC of \$202,000 annually. Funding for this contract is included in the FY 2003-04 Proposed Budget. Funding for future years will be included in the Department's annual budget requests.
2. Delegate authority to the Director, Department of Public Social Services (DPSS), to prepare and sign amendments to this Agreement that result in any decrease, or any increase of no more than ten percent of the Agreement's unit rates when the change is necessitated by additional and necessary services that are required for the Contractor to perform in order to comply with changes in federal, State or County requirements. The approval of County Counsel and the Chief Administrative Office (CAO) will be obtained prior to executing such amendment, and the Director will notify the CAO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 30, 1998, your Board approved a five-year contract with File Keepers, LLC to provide Case Record Storage and Retrieval services for DPSS. The current five-year Agreement with File Keepers, LLC expires on June 30, 2003.

Under the proposed relet contract with File Keepers, LLC the contractor will continue to provide DPSS with secured storage of approximately five million public assistance records and an additional 45,000 boxes of other records/documents. The contractor will also continue processing new records and boxes of documents into storage, which is approximately 50,000 records monthly, and processing retrieval requests, which is approximately 4,100 records monthly.

California Department of Social Services' (CDSS) contract guidelines generally limit contract terms to three years without prior CDSS approval for a longer term. DPSS requested CDSS approval for a five-year contract in order to encourage vendors to submit proposals by allowing them to amortize start-up costs and initial transfer of records over a longer period of time, thereby resulting in a more competitive solicitation process. On July 8, 2002, CDSS granted approval for a five-year term.

Implementation of Strategic Plan Goals

The recommendations are consistent with the principles of the Countywide Strategic Plan Goal #3 (Organizational Effectiveness) to ensure that service delivery systems are efficient, effective and goal-oriented and Goal #4 (Fiscal Responsibility) to strengthen the County's fiscal capacity.

FISCAL IMPACT/FINANCING

The estimated contract cost for this Agreement is \$11,216,460 for the five-year term of the Agreement. The estimated annual cost of the Agreement is \$2,243,292. To the extent these costs are claimed to CalWORKs and Food Stamps, there is no additional NCC after the required MOE is met. There is an annual \$202,000 NCC that results from costs associated with other programs, such as General Relief, which is included in the Department's FY 2003-04 Proposed Budget. Funding for future years will be included in the Department's annual budget requests.

The contractor will be paid monthly in arrears for the provision of Case Record Storage and Retrieval services. The rates are firm and fixed for the five-year term of the Agreement and do not provide for cost-of-living adjustments.

This Agreement is not subject to a contract maximum. The estimated cost may increase or decrease based solely upon workload fluctuation. Recent workload statistics were used to determine the estimated contract cost; however, this could significantly change due to changes in regulations governing public assistance programs, case record destruction, and other changes in policy/procedures. However, DPSS will closely monitor expenditures and, if costs are projected to exceed available funding, will reduce usage of the contract services to stay within the available funding.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract term will commence on July 1, 2003, or the day after Board approval, whichever is later, and will continue through June 30, 2008.

File Keepers, LLC is a private corporation founded in 1975, which provides expertise in the field of records and information management, including pick-up and delivery services, storage and retrieval of records and documents. File Keepers, LLC is a wholly owned subsidiary of Raleigh Enterprises, a Los Angeles based, privately held real estate development and management company.

The award of this Agreement will not result in unauthorized disclosure of confidential information and will be in full compliance with federal, State, and County regulations.

The Agreement includes the provision for the contractor to first consider hiring County employees targeted for layoff or qualified former County employees who are on a re-employment list during the life of the Agreement when filling future vacancies.

The Agreement also requires that the contractor consider hiring participants of the Greater Avenues for Independence (GAIN) Program and General Relief Opportunities for Work (GROW) Program.

The County may terminate the contract with a 30 calendar day prior written notice. The Agreement also contains provisions that limit the County's obligation if funding is not appropriated by the Board for each year of the Agreement.

The Contractor will not be asked to perform services which will exceed the Agreement's rates, scope of work, and contract term.

Provisions for the County's Jury Service Program have been included in the contract. The contractor is in compliance with the Jury Service Program.

The Safely Surrendered Baby Law provision is included in the Agreement, which requires the contractor to notify and provide a fact sheet to their employees regarding

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the Safely Surrendered Baby Law, its implementation in Los Angeles County and where to safely surrender a baby.

The Agreement contains Contractor Responsibility and Debarment language and has been approved as to form by County Counsel.

CONTRACTING PROCESS

File Keepers, LLC was selected through a competitive solicitation process. DPSS released a Request for Proposals (RFP) on December 10, 2002. Based on the evaluation of submitted proposals, File Keepers, LLC was the highest ranked bidder.

On November 7, 2002, the Department mailed 21 interest letters to potential vendors and advertised the solicitation in 12 newspapers, including the Los Angeles Times and several community newspapers. Additionally, interest letters were mailed to 18 Community Business Enterprises (CBEs), and the solicitation was advertised on the Los Angeles County Bid Website.

On December 10, 2002, DPSS mailed an RFP to 29 organizations that had expressed interest in the contract. DPSS also made the RFP available on the Los Angeles County Bid Website. On December 18, 2002, the Department held a proposer's conference, which representatives from eight different organizations attended. Vendors submitted questions prior to and at the conference. DPSS released written responses in an addendum on December 26, 2002.

DPSS received five timely proposals. The Department first reviewed the proposals using a pass/fail process. The Department determined that one of the proposals did not pass the initial screening, leaving four proposals to be evaluated.

Of the four proposals, File Keepers, LLC's proposal received the highest score from each of the evaluation panel members. Moreover, the evaluation panel members unanimously ranked File Keepers, LLC highest in the areas of Service Methodology, Quality Control, Management and Staff Qualifications, and Proposer Capability. File Keepers, LLC did not have the lowest cost proposal, but their proposal provided the best plan of addressing the unique method of storage required by DPSS. DPSS has received superior customer service from File Keepers, LLC in its provisions of these storage and retrieval services for the past 17 years under its previous three agreements with the County.

After the completion of the evaluation process and the Department's approval of the evaluation panel's recommendation, the Department successfully negotiated reductions

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in Filekeepers, LLC's proposed rates. The reductions resulted in estimated savings of \$2,001,805 over the term of the Agreement.

The Local Small Business Enterprise (SBE) program's provisions were included in the RFP and applied. While one proposer claimed Local SBE credit, neither DPSS nor the Office of Affirmative Action Compliance was able to confirm the proposer's Local SBE certification. Therefore, no Local SBE credit was applied in the evaluation process.

On April 17, 2003, DPSS sent certified letters to the non-recommended vendors notifying them that they were not being recommended for contract award based on the evaluation of their proposals. In addition, the Department offered to debrief interested vendors on their respective proposal evaluation and reminded them of their protest rights, as listed in the RFP. To date, one vendor, Diversified Information Technologies, Inc., has requested a debriefing. Department staff debriefed the vendor via telephone on April 21, 2003.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The award of this Agreement will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County.

The award of this Agreement will enable the Department to continue effective case storage and retrieval processes.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return to DPSS one adopted stamped Board letter and three original signed copies of the Case Record Storage and Retrieval Services Agreement.

Respectfully submitted,

A handwritten signature in cursive script, reading "Bryce Yokomizo", followed by a small circular mark.

Bryce Yokomizo
Director

BY:hs

Enclosures

c: Executive Officer, Board of Supervisors
Chief Administrative Officer
County Counsel